Organo Gold Holdings Ltd & Ors v Infigrams Sdn Bhd & Anor

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-22IP-27–04 OF 2018
LIM CHONG FONG J
29 APRIL 2019

Trade Marks — Infringement of — Registered trademark and passing off — Plaintiff sued defendants for infringement of trademark and tort of passing off — Whether defendant counterfeited plaintiff's product — Whether defendants infringed first plaintiff's trademarks — Whether defendants passed off the plaintiffs' product as their own — Whether defendants were given consent or permission by plaintiffs to trade — Whether plaintiffs entitled to damages in respect of its trademark infringement and passing off

The first plaintiff through the second plaintiff expanded its business into Malaysia in June 2012. The second plaintiff was responsible for sourcing all premixed coffee products from Organo Gold Management Ltd which was another wholly owned subsidiary of the first plaintiff. The first plaintiff on 16 May 2012 registered the following trademarks in Class 30: coffee, mocha coffee, latte, cocoa, hot chocolate, coffee infused with ganoderma spore powder extract, coffee and coffee ginseng blend, coffee and ginseng blend with ganoderma extract, green tea, tea and iced tea, all included in Class 30. The first plaintiff also licensed the use of the trademarks to the third plaintiff in Malaysia and the third plaintiff was responsible for the distribution of the premixed coffee products procured from Organo Gold Management Ltd or other authorised manufacturers to licensed distributors and ultimate consumers. The plaintiffs' business model utilised a direct-sales multi-level marketing approach where the premixed coffee products were distributed directly to consumers by license distributors who must obtain their respective licenses from the third plaintiff. The first defendant was at all material times not a licensed distributor appointed by the third plaintiff whereas the second defendant was a license distributor appointed by the third plaintiff for a year from November 2014–November 2015. The first plaintiff licensed Nores Industries Sdn Bhd ('Nores Industries') as the sole and exclusive manufacturer of its branded premixed coffee products namely gourmet cafe latte and gourmet black coffee' ('gourmet coffees'). On or around September 2015, the plaintiffs discovered through their affiliated company in Canada that infringing gourmet coffees were put for sale globally in the internet principally for the USA and European markets via E-bay through websites carrying domain names 'Royale Concept', 'Maxi Vogue', 'Azonio', 'Nozomic' and 'Branded Outlet Shoppe' ('the websites') without authorisation of the plaintiffs. The purported gourmet

coffees were sold, packaged and labelled in the manner substantially as those meant specifically for the Malaysian market. The third plaintiff made online trap purchases of the aforesaid infringing gourmet coffees from the websites and these infringing gourmet coffees were sent to Nores Industries for testing. On or around 10 November 2017, Nores Industries verified that the samples were not the Gourmet Coffees produced or marketed by the plaintiffs. After detail investigation on the aforementioned domain names, the plaintiffs discovered that the websites domain names were owned and controlled by an individual named Dave Lim under the organisation name of the first defendant. Upon making further search in the Companies Commission of Malaysia, the plaintiffs established that Dave Lim was indeed the second defendant. The plaintiff on or around 20 November 2017 hired a private investigator led by PW2 to trace the source where the purported gourmet coffees were being marketed and the investigation results entitled intelligent gathering status reports 1, 2 and 3 revealed that the defendants were conducting their business from a warehouse bearing address No 9 Block B, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, off Persiaran Subang 47610 Petaling Jaya, Selangor. Consequently, the plaintiffs on 23 April 2018 filed the present suit in the court. The issues were: (a) whether the gourmet coffees traded by the defendants were imitation or counterfeit products; (b) whether the defendants infringed the first plaintiff's trademarks; (c) whether the defendants passed off the plaintiffs' gourmet coffees as their own; (d) whether the defendants were given consent or permission by the plaintiffs to trade in the gourmet coffees; and (e) whether the plaintiffs entitled in respect of its loss for trademark infringement and passing off and claiming damages for loss of reputation or goodwill as the result of passing off by the defendants.

Held:

(1) The plaintiffs analysed and demonstrated that the volume of the online sales of the infringing gourmet coffees sold by the defendants between September 2016 and March 2018 exceeded the volume of the gourmet coffees actually manufactured by Nores Industries. The plaintiffs showed that the defendants only made minimal purchases of the original gourmet coffees over the same period. As such, the gourmet coffees sold online by the defendants were not those manufactured and packaged by Nores Industries. The defendants were at the material time via their websites offering for sale online and sold imitation or counterfeit gourmet coffees. Though the first defendant and second defendant were separate legal personalities, they effectively acted in unison and were indistinguishable by their offering to sell and selling the infringing gourmet coffees online via their websites. They must therefore were liable jointly (see paras 35 & 37).

(2) By the court's finding that the defendants' act of offering for sale in the websites and having sold imitation or counterfeit gourmet coffees, it was plain that they were done without the consent of the first plaintiff. It was obvious that these imitation and counterfeit gourmet coffees deceived or confused prospective customers. From the evidence adduced, the infringing gourmet coffees sold by the defendants bore the trademarks particularly in packaging boxes and sachet packets. They had the same design in the same colours too. The defendants' online sale product catalogues displayed in the websites were unmistaken pictures of gourmet coffees emblazoned with the trademarks. In the circumstances, it was found that the defendants had infringed the trademarks because they had unlawfully used the trademarks in the course of trade without the plaintiffs' consent and was thus liable to the first plaintiff who owned the trademarks (see paras 40–41 & 43).

(3) As to reputation or goodwill, the court was satisfied from the testimony of PW3 that the first plaintiff's 'ORGANO' or 'OG' brand name was established in the international consumer market in Canada, United States of America and the Philippines since 2008 and subsequently expanded into Malaysia since 2012. In the circumstances, the plaintiffs particularly the first and third plaintiffs had established their reputation and goodwill in respect of the gourmet coffees distributed based on their efforts expanded. The defendants indeed misrepresented the gourmet coffees as genuine products of the plaintiffs. As such, the plaintiffs had further successfully proved the misrepresentation element. It was plain and obvious that the defendants purely for profit blatantly took advantage of the goodwill established by the first and third plaintiffs through their act of online offering to sell in the websites and accordingly having sold imitation or counterfeit gourmet coffees. There was undoubtedly high probability of damage if not also actual damage caused to the plaintiffs as seen from the defendants' financial records obtained through the enforcement of the Anton Piller order. Consequently the first and third plaintiffs had also successfully proved the damage element and in the circumstances, the tort of passing off against the defendants was complete and hence proven (see paras 46–49 & 51–52).

(4) There was no evidence adduced at the trial that the plaintiffs had at all material times expressly or impliedly consented or permitted the defendants to sell the gourmet coffees online via the websites worldwide. By end 2015, the second defendant's independent distributorship was already terminated by the third plaintiff. The gourmet coffees sold by the defendants were imitation or counterfeit ones as found and there could not also rationally be any express or implied consent of the plaintiffs having done so. The court accepted PW1's testimony that she was under the direction of the plaintiffs to conduct an undercover mission to investigate and trace the source of the counterfeit gourmet coffees when

she communicated with DW3 including their meeting on 5 February 2018. PW1 did not act in complicit in violation of the plaintiffs' corporate policy as so suggested by the defendants. It was plain that PW1 had no authority to give the purported consent or permission which was against the third plaintiff's business model of direct sales via structured multi-level marketing (see para 58).

(5) The plaintiffs had utilised their best endeavours to establish the sales and consequently the estimated fair and temperate average profit margin of the defendants in respect of the gourmet coffees. The evidential burden to show otherwise shifted to the defendants to satisfy the actual profit margin by computing the same from a reasonable sample size substantiated with cogent costs documentation since they were all within the knowledge of the defendants including custody of the relevant documentary evidence. The defendants however failed to do so adequately by their mere adduction of exhs D20–D21 which were rudimentary and simplistic estimates. Accordingly, it was found that that the defendants' sales ought to be 3.98/4.45 x RM7,532,021.48 = RM6,736,504.60 and the average profit margin was 20%. As the result, the account for profit amounted to RM6,736,504.60 – (RM6,736,504.60/1.20) = RM1,122,750.76. By reason that the defendants had committed passing off, there was the additional entitlement to damages for loss of reputation or goodwill. The fair and temperate amount of damages for loss of reputation or goodwill was RM58,750 following the amount of RM50,000 awarded in *Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors* [2018] Supp MLJ 312 adjusted for inflation at 2.5%pa in the absence of cogent expert evidence by an intellectual property valuer registered with MyIPO demonstrating a substantial valuation. In the circumstances, the compensatory loss was at RM1,122,750.76 + RM58,750 totaling to RM1,181,500.76 (see paras 65–69).

[Bahasa Malaysia summary

Plaintif pertama melalui plaintif kedua memperluaskan perniagaannya ke Malaysia pada bulan Jun 2012. Plaintif kedua bertanggungjawab untuk mendapatkan semua produk kopi pracampur daripada Organo Gold Management Ltd yang merupakan anak syarikat milik penuh plaintif pertama. Plaintif pertama pada 16 Mei 2012 mendaftarkan tanda dagangan berikut dalam Kelas 30: kopi, kopi mocha, latte, koko, coklat panas, kopi yang diinfus dengan ekstrak serbuk spora ganoderma, campuran kopi dan kopi ginseng, campuran kopi dan ginseng dengan ekstrak ganoderma, teh hijau, teh dan teh ais, semua termasuk dalam Kelas 30. Plaintif pertama juga melesenkan penggunaan tanda dagangan kepada plaintif ketiga di Malaysia dan plaintif ketiga bertanggungjawab untuk pengedaran produk kopi pracampuran yang diperoleh daripada Organo Gold Management Ltd atau pengilang lain yang

diberi kuasa kepada pengedar berlesen dan pengguna akhir. Model perniagaan plaintif menggunakan pendekatan pemasaran pelbagai peringkat jualan langsung di mana produk kopi pracampuran diedarkan terus kepada pengguna oleh pengedar berlesen yang mesti mendapatkan lesen masing-masing dari plaintif ketiga. Defendan pertama adalah pada semua masa material bukan pengedar berlesen yang dilantik oleh plaintif ketiga sedangkan defendan kedua adalah pengedar berlesen yang dilantik oleh plaintif ketiga selama setahun dari November 2014–November 2015. Plaintif pertama melesenkan Nores Industries Sdn Bhd ('Nores Industries') sebagai pengeluar tunggal dan eksklusif produk kopi pracampuran berjenama iaitu kopi latte gourmet dan kopi hitam gourmet ('kopi gourmet' secara kolektif). Pada atau sekitar September 2015, plaintif menemukan melalui syarikat gabungannya di Kanada bahawa kopi gourmet yang dilanggar hak cipta telah dijual secara global di internet terutamanya untuk pasaran Amerika Syarikat dan Eropah melalui E-bay melalui laman web yang membawa nama domain 'Royale Concept', 'Maxi Vogue', 'Azonio', 'Nozomic' dan 'Branded Outlet Shoppe' ('laman web') tanpa kebenaran plaintif. Kopi gourmet yang dikatakan dijual, dibungkus dan dilabelkan dengan cara yang secara substansial seperti yang dimaksudkan khusus untuk pasaran Malaysia. Plaintif ketiga membuat pembelian perangkap dalam talian daripada kopi gourmet yang dilaporkan dari laman web dan kopi gourmet yang dilanggar hak cipta tersebut dihantar ke Nores Industries untuk ujian. Pada atau sekitar 10 November 2017, Nores Industries mengesahkan bahawa sampel tersebut bukan Gourmet Coffees yang dihasilkan atau dipasarkan oleh plaintif. Selepas penyiasatan terperinci mengenai nama domain tersebut, plaintif mendapati bahawa nama domain laman web dimiliki dan dikendalikan oleh individu bernama Dave Lim di bawah nama organisasi defendan pertama. Setelah membuat carian lanjut di Suruhanjaya Syarikat Malaysia, plaintif membuktikan bahawa Dave Lim adalah defendan kedua. Plaintif pada atau sekitar 20 November 2017 mengupah seorang penyiasat persendirian yang diketuai oleh PW2 untuk mengesan sumber di mana kopi gourmet yang dikatakan sedang dipasarkan dan hasil siasatan memberikan laporan status perhimpunan perisikan 1, 2 dan 3 mendedahkan bahawa defendan telah menjalankan perniagaan mereka dari gudang beralamat No 9 Block B, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, off Persiaran Subang 47610 Petaling Jaya, Selangor. Akibatnya, plaintif pada 23 April 2018 memfailkan guaman ini di mahkamah. Isu-isu adalah: (a) sama ada kopi gourmet yang diperdagangkan oleh defendan adalah tiruan atau produk tiruan; (b) sama ada defendan melanggar cap dagangan plaintif pertama; (c) sama ada defendan mengelirupakan kopi gourmet plaintif sebagai mereka sendiri; (d) sama ada defendan diberi persetujuan atau kebenaran oleh plaintif untuk berdagang dalam kopi gourmet; dan (e) sama ada plaintif berhak berkenaan dengan kerugiannya bagi pelanggaran cap dagangan dan kelirupaan dan menuntut ganti rugi kerana kehilangan reputasi atau nama baik sebagai akibat kelirupaan oleh defendan.

Diputuskan:

(1) Plaintif menganalisa dan menunjukkan bahawa jumlah penjualan dalam talian gourmet kopi yang dijual oleh defendan antara September 2016 dan Mac 2018 melebihi jumlah kopi gourmet yang dihasilkan oleh Nores Industries. Plaintif menunjukkan bahawa defendan hanya membuat pembelian minimum kopi gourmet asal dalam tempoh yang sama. Oleh itu, kopi gourmet yang dijual secara dalam talian oleh defendan bukanlah yang dihasilkan dan dibungkus oleh Nores Industries. Defendan pada masa material melalui laman web mereka menawarkan untuk jualan secara dalam talian dan menjual kopi gourmet tiruan atau palsu. Walaupun defendan pertama dan defendan kedua adalah personaliti undang-undang yang berasingan, mereka bertindak secara seragam dan tidak dapat dibezakan oleh tawaran untuk jualan dan menjual kopi gourmet yang melanggar hak cipta dalam talian melalui laman web mereka. Oleh itu, mereka harus bertanggungjawab secara bersama (lihat perenggan 35 & 37).

(2) Dengan penemuan mahkamah bahawa perbuatan defendan menawarkan untuk jualan di laman web dan menjual kopi gourmet tiruan atau palsu, jelas bahawa ia telah dilakukan tanpa persetujuan daripada plaintif pertama. Adalah jelas bahawa kopi gourmet tiruan dan palsu ini menipu atau mengelirukan bakal pelanggan. Daripada keterangan yang dikemukakan, kopi gourmet yang dijual oleh defendan mengandungi tanda dagang khususnya dalam kotak pembungkusan dan paket sachet. Mereka mempunyai reka bentuk yang sama dalam warna yang sama juga. Katalog produk dalam talian defendan yang dipaparkan di laman web adalah gambar kopi gourmet yang dicatatkan dengan tanda dagangan. Dalam keadaan itu, didapati bahawa defendan telah melanggar cap dagangan kerana mereka telah menggunakan secara haram tanda dagang tanpa persetujuan plaintif dan oleh itu bertanggungjawab kepada plaintif pertama yang memiliki cap dagangan (lihat perenggan 40–41 & 43).

(3) Berkenaan dengan reputasi atau nama baik, mahkamah berpuas hati dengan testimoni PW3 bahawa nama jenama 'ORGANO' atau 'OG' pertama ditubuhkan di pasaran pengguna antarabangsa di Kanada, Amerika Syarikat dan Filipina sejak 2008 dan seterusnya berkembang ke Malaysia sejak 2012. Dalam keadaan ini, plaintif terutamanya plaintif pertama dan ketiga telah menubuhkan reputasi dan nama baik mereka berkenaan dengan kopi gourmet yang diedarkan berdasarkan usaha mereka yang berkembang. Defendan-defendan memang memalsukan kopi gourmet sebagai produk asli daripada plaintif. Oleh itu, plaintif berjaya membuktikan unsur pemalsuan. Adalah jelas dan nyata bahawa defendan semata-mata untuk keuntungan secara terang-terangan mengambil kesempatan daripada nama baik yang ditubuhkan oleh

plaintif pertama dan ketiga melalui tindakan mereka dalam talian untuk menjual di laman web dan dengan itu telah menjual kopi gourmet tiruan atau palsu. Tidak syak terdapat kemungkinan ganti rugi yang tinggi jika tidak juga ganti rugi sebenar terhadap plaintif seperti yang dilihat daripada rekod kewangan defendan yang diperoleh melalui penguatkuasaan perintah Anton Piller. Oleh itu, plaintif pertama dan ketiga juga berjaya membuktikan unsur ganti rugi dan dalam hal itu, tort kelirupaan terhadap defendan telah lengkap dan dengan itu terbukti (lihat perenggan 46–49 & 51–52).

(4) Tiada keterangan yang dikemukakan pada perbicaraan bahawa plaintif telah pada semua masa material secara nyata atau tersirat bersetuju atau membenarkan defendan menjual kopi gourmet secara online melalui laman web di seluruh dunia. Menjelang akhir 2015, pengedar bebas defendan kedua telah ditamatkan oleh plaintif ketiga. Kopi gourmet yang dijual oleh defendan adalah tiruan atau palsu yang didapati dan tidak dapat juga secara rasional apa-apa keterangan atau tersirat persetujuan oleh plaintif berbuat demikian. Mahkamah menerima testimoni PW1 bahawa dia berada di bawah arahan plaintif untuk menjalankan misi menyamar untuk menyiasat dan mengesan sumber kopi gourmet palsu ketika dia berkomunikasi dengan DW3 termasuk pertemuan mereka pada 5 Februari 2018. PW1 tidak bertindak secara terang-terangan sebagai melanggar dasar korporat plaintif sebagaimana yang dicadangkan oleh defendan. Adalah jelas bahawa PW1 tidak mempunyai kuasa untuk memberikan kebenaran atau keizinan yang dikatakan bertentangan dengan model perniagaan plaintif ketiga jualan langsung menerusi pemasaran pelbagai peringkat berstruktur (lihat perenggan 58).

(5) Plaintif telah menggunakan usaha terbaik mereka untuk menubuhkan jualan dan akibatnya, anggaran purata margin keuntungan adil dan sederhana bagi defendan berkenaan dengan kopi gourmet. Beban pembuktian untuk menunjukkan sebaliknya beralih kepada defendan untuk memenuhi margin keuntungan sebenar dengan mengira yang sama daripada saiz sampel yang munasabah yang dibuktikan dengan kos dokumentasi kos kerana mereka semua berada dalam pengetahuan tentang defendan termasuk penjagaan keterangan dokumentari yang relevan. Namun, defendan gagal melakukannya secukupnya dengan hanya penambahan eksh D20–D21 yang merupakan perkiraan ringkas dan mudah. Sewajarnya, adalah didapati bahawa jualan defendan sepatutnya 3.98/4.45 x RM7,532,021.48 = RM6,736,504.60 dan margin keuntungan purata adalah 20%. Hasilnya, akaun untung berjumlah RM6,736,504.60 – (RM6,736,504.60/1.20) = RM1,122,750.76. Dengan alasan bahawa defendan telah melakukan kelirupaan, terdapat hak tambahan untuk ganti rugi atas kehilangan reputasi atau nama baik. Jumlah ganti rugi yang adil dan sederhana

untuk kehilangan reputasi atau nama baik ialah RM58,750 berikutan jumlah RM50,000 yang diawardkan dalam *Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors* [2018] Supp MLJ 312 diselaraskan untuk inflasi pada 2.5% setahun dengan ketiadaan keterangan pakar oleh penilai harta intelek yang berdaftar dengan MyIPO menunjukkan penilaian yang besar. Dalam keadaan ini, kerugian pampasan ialah RM1,122,750.76 + RM58,750 berjumlah RM1,181,500.76 (lihat perenggan 65–69).]

Notes

For cases on registered trademark and passing off, see 12(2) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 2810–2833.

Cases referred to

Alternate Solution Resources v Akbar Batcha bin Mohamed Shamsuddin & Anor [2019] MLJU 426; [2019] AMEJ 0179, HC (refd)

Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd [1996] MLJU 575; [1996] 3 AMR 4015, HC (refd)

Heineken Asia Pacific Pte Ltd v Supre La Via Sdn Bhd [2019] 9 MLJ 574; [2019] 2 MLRH 165, HC (refd)

Jasmine Food Corp Sdn Bhd v Leong Wai Choon & Anor [2016] 11 MLJ 812, HC (refd)

Juggi Lal-Kamlapat and Juggilal-Kamlapat Mills of Cawnpore v Swadeshi Co Ltd (1928) 46 RPC 74, PC (refd)

Leo Pharmaceutical Products Ltd a/s (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd [2009] 5 MLJ 703; [2009] 13 MLRH 385, HC (refd)

Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor [2018] 1 MLJ 175; [2018] 1 CLJ 287, FC (refd)

Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party) [2015] 6 MLJ 465, FC (refd)

Organo Gold Holdings Ltd & Ors v Infigrams Sdn Bhd & Anor [2018] MLJU 1419; [2018] 1 LNS 1466, HC (refd)

Philip Morris Brands Sarl v Goodness for Import and Export & Ors [2018] 7 MLJ 350; [2017] 10 CLJ 337, HC (refd)

Playboy Enterprises International, Inc v Zillion Choice Sdn Bhd & Anor [2011] 2 MLJ 59; [2011] 2 CLJ 329 (refd)

Reckitt & Colman Products v Borden Inc [1990] 1 All ER 873, HL (consd)

Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770, SC (refd)

Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358, CA (refd)

Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors [2018] Supp MLJ 312, FC (folld)

Vitol Asia Pte Ltd v The Owners of the Ship or Vessel 'Malik Al Ashtar' of the Port

of Malta (ING Bank NV & Anor, interveners) [2017] 7 MLJ 87; [2017] 1 CLJ 236, HC (refd)

Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585, CA (refd)

Legislation referred to

Trade Marks Act 1976 ss 35, 38, 38(1), 40(1), (1)(dd)

T Jayadeva (Law Cheun Yao with him) (Yee & Assoc) for the plaintiffs.

E Earnest Balasingham (Addrie Soo Yin Jia with him) (Gibb & Co) for the defendants.

Lim Chong Fong J:

INTRODUCTION

[1] This is an intellectual property dispute on trademark infringement as well as passing off in premixed coffee products.

[2] The plaintiffs are part of a group of companies of the Organo Gold Group Ltd (BVI) which has its headquarters in Canada. They are a direct selling marketing conglomerate which operates in many countries globally.

[3] The first plaintiff is a limited company incorporated in Hong Kong and the owner of the trademarks 'OG' and 'ORGANO GOLD' ('trademarks') in Malaysia as well as in several other countries such as the United States of America and Canada.

[4] The second plaintiff is a private limited company incorporated in Malaysia and an indirectly owned subsidiary company of the first plaintiff.

[5] The third plaintiff is also a private limited company incorporated in Malaysia and is licensed by the first plaintiff to use the plaintiff's trademarks in Malaysia pursuant to a trademark license agreement dated 22 February 2016. The Malaysian distributors of the plaintiffs' products bearing the trademarks are registered with the third defendant.

[6] The first defendant is a private limited company incorporated in Malaysia and involved in the business of trading in mineral, iron ore, coal and commodities.

[7] The second defendant is an individual and a director and shareholder of 70,000 shares in the first defendant. He is formerly a distributor registered with the third plaintiff but was removed on 24 November 2015.

[8] In this suit, the plaintiffs claimed the following reliefs:

(a) that the defendants be restrained whether acting by their directors, officers or agents (or any of them or howsoever) from infringing the first plaintiff's Registered Trademarks Nos 2012009827 and 2012009820;

(b) that the defendants be restrained whether by their directors, officers or agents (or any of them or otherwise howsoever) from offering for sale, accepting orders and selling or shipping premixed coffee products under the brand name 'Organo Gold' or attempting to pass off premixed coffee products not of the plaintiffs' manufacture and bearing the first plaintiff's trademarks 'ORGANO GOLD', OG' and the 'GOURMET BLACK COFFEE' and 'GOURMET CAFE LATTE' as and for the first plaintiff's premixed coffee products by offering for sale, supplying or otherwise dealing with as genuine 'Organo Gold' premixed coffee products not manufactured by the plaintiffs;

(c) the defendants be ordered to make and serve on the plaintiffs' solicitors within 14 days from the date of the service of this order on them, a sufficient affidavit setting forth the names and addresses of all persons or companies responsible for supplying them with and the defendants shall exhibit to their affidavit copies of all documents in their possession, power, custody or control relating to the supply to or by the defendants, of all premixed coffee products bearing the names 'Organo Gold' and the first plaintiff's registered trademarks under the names 'OG' and 'ORGANO GOLD';

(d) that the defendants forthwith be ordered to deliver to the plaintiff's custody all such coffee premixed products in their custody which are not manufactured under the license and consent of the plaintiffs and which bear upon them the brand name 'Organo Gold', 'Gourmet Black Coffee', and 'Gourmet Cafe Latte' and the first plaintiff's trademarks which are registered under 'Organo Gold' or may be situate therein together with all raw materials and packing and labels and machinery used and all computers used for generating invoices and bills and other documents relating to the purchase and distribution of the same;

(e) that the defendants whether acting on their own, through their servant or agent or any of them, or otherwise by any way whatsoever in seven days from the service of this order disclose to the plaintiffs by way of a sworn affidavit the full value of their personal assets held jointly that shows the full particulars of the type and details of all assets and the location of the said assets whether within the jurisdiction or otherwise and whether held by them in their personal names or by nominees or otherwise on their behalf and whether owned solely or jointly;

(f) that the defendants whether acting by their directors or by their officers, servants, agents or by any of them or otherwise howsoever be restrained

from parting without license of the plaintiffs with possession, power, custody or control of all coffee premixed products bearing the first plaintiff's registered trademarks 'OG Organo' and 'Organo Gold' or any colourable imitation of the first plaintiff's trademarks;

(g) the defendants whether acting by their directors or officers or agents be ordered to permit such persons as may be authorised by the plaintiffs, not exceeding two, and/or an officer from the court to enter forthwith the premises known as No 9, Block B, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, off Persiaran Subang 47610 Petaling Jaya, Selangor Darul Ehsan and any other premises in the possession of the defendants or any outhouse or any other building which forms a part of the premises at such times designated by the court and for the purpose of inspecting and photographing such goods as are not connected with the plaintiffs and which bear upon them the trademarks 'OG', 'Organo Gold' or may situate therein and all raw materials packing and labels for the same and all invoices and bills relating to the purchase sale distribution or advertising of the same;

(h) special damages of RM7,532,021.48 for loss of sales between 24 September 2016 to 12 March 2018 which are still continuing;

(i) interest at the rate of 5%pa on the sum of RM7,532,021.48 from the date of filing this writ to the date of full realisation;

(j) damages;

(k) costs; and

(l) further or other relief as the honourable court deems fit to grant.

PRELIMINARY

[9] After the commencement of this suit, the plaintiffs on 22 May 2018 obtained an ex parte Anton Piller order ('Anton Piller order') from this court against the defendants. This Anton Piller order was sustained by me on 28 September 2018 after it was heard inter-partes together with the defendants' application to set it aside as reported in *Organo Gold Holdings Ltd & Ors v Infigrams Sdn Bhd & Anor* [2018] MLJU 1419; [2018] 1 LNS 1466.

[10] The trial of this suit took four days from 14–17 January 2019. The trial documents were marked as bundles BP, A1 to A9, B1 to B2, C1 to C3, D to K including comprising the documentary evidence in bundles A1 to A9, B1–B2, C1–C3, I–K which carry status B as consented to by the parties. In addition, exhs P1–D22 were admitted in evidence during the course of the trial.

[11] The plaintiffs called the following witnesses in the trial, to wit:

(a) Gan Puay Sze ('PW1'), the general manager of the third plaintiff;

(b) Arul Ananthan a/l Arnanda ('PW2'), a ground chief surveillance officer in My Private Eye Sdn Bhd;

(c) Norm Perette ('PW3'), the senior vice president (international operations) of the first plaintiff; and

(d) Lee Chiew Kim ('PW4'), a director in Nores Industries Sdn Bhd and Nores Marketing Sdn Bhd.

[12] On the opposite side, the defendants called the following witnesses in the trial, to wit:

(a) Lim Daw Yong ('DW1'), the second defendant himself;

(b) Dr Ling Sui Kiong ('DW2'), a senior research officer of the Forest Research Institute Malaysia ('FRIM');

(c) Low Chee Choy ('DW3'), a director of Excelna Marketing Sdn Bhd; and

(d) Yap Yoon Nian ('DW4'), the former operations manager of the third plaintiff.

[13] After the close of trial, the parties simultaneously submitted their written submissions-in-chief and submissions-in-reply. I heard oral arguments of counsel on 3 April 2019.

BACKGROUND FACTS

[14] These background facts are derived from the statement of agreed facts and those as found by me pursuant to the trial.

[15] The first plaintiff through the second plaintiff expanded its business in to Malaysia in June 2012. The second plaintiff is responsible for sourcing all premixed coffee products from Organo Gold Management Ltd which is another wholly owned subsidiary of the first plaintiff. Furthermore, the first plaintiff on 16 May 2012 registered the following trademarks in Class 30: Coffee, Mocha coffee, Latte, Cocoa, Hot chocolate, Coffee infused with Ganoderma spore powder extract, Coffee and coffee ginseng blend, Coffee and ginseng blend with Ganoderma extract, Green tea, Tea and iced tea, all included in Class 30.

ORGANO GOLD

[16] The first plaintiff also licensed the use of the trademarks to the third plaintiff in Malaysia and the third plaintiff is responsible for the distribution of the premixed coffee products procured from Organo Gold Management Ltd or other authorised manufacturers to licensed distributors and ultimate consumers.

[17] The plaintiffs business model utilises a direct-sales multi level marketing approach where the premixed coffee products are distributed directly to consumers by license distributors who must obtain their respective licenses from the third plaintiff. These licenses are only valid for sales within the territory of Malaysia. The premixed coffee products are not sold in supermarkets or sundry retail shops. Malaysian consumers must therefore purchase the premixed coffee products from these licensed distributors or alternatively through the first plaintiff directly online from its website.

[18] The operations of the Malaysian licensed distributors are governed by the plaintiffs' Group Policies and Procedures which included the following provisions:

> 8. If eligible, I will be compensated for the products, I sell and those products sold through my sales organisation. Organo Gold never compensates for the mere act of sponsoring. The sale of products to end consumers must be emphasised in all presentations.
>
> 9. I understand that Organo Gold's program is built upon retail sales to the ultimate consumer. I am entitled to purchase product for my own personal or family use and understand that Organo Gold prohibits the purchase of products in large quantities of inventory solely for the purpose of qualifying for bonuses or advancement in the marketing program. By placing subsequent products orders, I certify that I sold at least 70% or more of all products that I previously purchased. Products certified as sold under this 70% rule are not eligible for repurchase.

[19] The first defendant is at all material times not a licensed distributor

A appointed by the third plaintiff whereas the second defendant was a license distributor appointed by the third plaintiff for a year from November 2014–November 2015.

B **[20]** The first plaintiff licensed Nores Industries Sdn Bhd ('Nores Industries') as the sole and exclusive manufacturer of its branded premixed coffee products namely 'Gourmet Cafe Latte' and 'Gourmet Black Coffee' ('Gourmet Coffees'). They are sold in packaging boxes which contain individual sachets packets in black and yellow colours respectively bearing the distinctive trademarks by the Malaysian licensed distributors appointed by the C third plaintiff. The Gourmet Coffees are manufactured according to the specific labelling standards applicable only to Malaysia and therefore meant for sale in Malaysia only.

D **[21]** On or around September 2015, the plaintiffs discovered through their affiliated company in Canada that infringing Gourmet Coffees were put for sale globally in the internet principally for the USA and European markets via E-bay through websites carrying domain names 'Royale Concept', 'Maxi Vogue', 'Azonio', 'Nozomic' and 'Branded Outlet Shoppe' ('websites') without E authorisation of the plaintiffs. The purported Gourmet Coffees were sold, packaged and labelled in the manner substantially as those meant specifically for the Malaysian market.

[22] The third plaintiff made online trap purchases of the aforesaid F infringing Gourmet Coffees from the websites through their agents Alessandra Passion and Kelley Ferran. These infringing Gourmet Coffees were sent to Nores Industries for testing. On or around 10 November 2017, Nores Industries verified that the samples were not the Gourmet Coffees produced or marketed by the plaintiffs.

G **[23]** In addition, the plaintiffs through Nores Industries sent the samples for chemical testing by Bio Synergy Laboratories Sdn Bhd ('Bio Synergy Lab') and it was also confirmed that the samples are different from the Gourmet Coffees manufactured by them.

H **[24]** After detail investigation on the aforementioned domain names, the plaintiffs discovered that the websites domain names were owned and controlled by an individual named Dave Lim under the organisation name of the first defendant. Upon making further search in the Companies I Commission of Malaysia, the plaintiffs established that Dave Lim is indeed the second defendant.

[25] Furthermore, the plaintiff on or around 20 November 2017 hired a private investigator led by PW2 to trace the source where the purported

Gourmet Coffees were being marketed and the investigation results entitled Intelligent Gathering Status Reports 1, 2 and 3 revealed that the defendants were conducting their business from a warehouse bearing address No 9 Block B, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, off Persiaran Subang 47610 Petaling Jaya, Selangor.

[26] Consequently, the plaintiffs on 23 April 2018 filed this suit.

CONTENTIONS AND FINDINGS

[27] From the pleadings, statement of issues to be tried and final submissions of the parties particularly the closing oral arguments of counsel, the principal issues for determination in this suit may be summarised as follows:

(a) whether the Gourmet Coffees traded by the defendants are imitation/counterfeit products?

(b) accordingly, whether the defendants infringed the first plaintiff's trademarks?

(c) further or alternatively, whether the defendants passed off the plaintiffs' Gourmet Coffees as their own? and

(d) whether the defendants were given consent or permission by the plaintiffs to trade in the Gourmet Coffees?

I will deal with them *seriatim*.

Imitation/counterfeit Gourmet Coffees

[28] The plaintiffs contended that the Gourmet Coffees sold by the defendants online via the websites were imitation or counterfeit ones but this has been flatly denied by the defendants.

[29] In this respect, the plaintiffs' original Gourmet Coffees are made by Nores Industries on a turnkey basis; to wit the Gourmet Coffees were designed, manufactured and packaged by Nores Industries. The third plaintiff made online trap purchases and gave them to Nores Industries and Bio Synergy lab for testing. A comparison was conducted between the original Gourmet Coffees and those procured through the trap purchases. As seen in the Nores Industries physical test report dated 16 October 2018 and/or testimony of PW4 and PW1, Nores Industries conducted the packaging test on the Gourmet Coffees and found physical differences in the sealing line of the shrink film in the packing box, anti fake mark on packing box, packing box board colour, price tag information and information printing on packing box,

size of sachet packet, number of sealing lines in the sachet packet, colour of the trademarks on the sachet packet and alignment of batch number on sachet packet. I have also examined them myself and I confirm that there are indeed these differences. Nores Industries also conducted a drinking test and found differences in taste when they were drunk both hot and cold. In addition, it is seen from Bio Synergy Lab's chemical analysis that they too found differences in the composition of the constituents such as calories, carbohydrate, fat, protein, N-Butyric acid 2-ehtyllhexyl ester, Quinic acid and 9-Octadecenamide.

[30] The defendants in rebuttal relied on DW2 who conducted a high performance liquid chromatography ('HPLC') analysis on the original Gourmet Coffees and those sold by the defendants too. As seen in the FRIM HPLC analysis reports dated 27 August 2018, she concluded she found that the products tested are similar; to wit coffee because the chemical fingerprints of the tested coffees were the same with slight differences in intensity of a few chromatographic peaks.

[31] There is no standard measure of assessment as to whether a product is genuine or counterfeit. It depends on the facts and circumstances of each case often with the input of factual and expert witnesses. Since Nores Industries produced the original Gourmet Coffees for the plaintiffs on a turnkey basis, Nores Industries is in my view best qualified to conduct the assessment.

[32] On the facts as presented to me, I prefer the evidence adduced by the plaintiffs because it is of greater comprehensiveness. I am satisfied including after having scrutinised them myself that there are slight but critical differences in the packing and packets of the original Gourmet Coffees distributed by the plaintiffs and those trap purchased by them and I so find and hold accordingly. These are also sufficiently explained by both PW1 and PW4 who are familiar with the Gourmet Coffees in issue. Based on their testimony and contrary to the defendants' assertion, I am also satisfied from the evidence adduced before me there was no break in the chain of evidence in the movement of the trap purchased Gourmet Coffees since they were procured till the testing by the experts appointed by the plaintiffs and I so find and hold accordingly. It has to been borne in mind that the onus of proof required of the plaintiffs is on the balance of probabilities and not beyond reasonable doubt as seemingly placed by the defendants upon the plaintiffs.

[33] Moreover I prefer the chemical analysis done by Bio Synergy Lab because the precise breakdown of the individual constituents of the coffees were analysed over that by FRIM which only carried chromatographic profiling without identifying the constituents of the coffees. I find and hold that there are critical differences between the original Gourmet Coffees

distributed by the plaintiffs and those trap purchased when the individual constituents are compared together as observed in the Bio Synergy Lab report. In addition, I hold that there is no necessity to produce the specification of the Gourmet Coffees contrary to the defendants' assertion because the comparative test was conducted on the coffee powder obtained from the actual Gourmet Coffees sachets as well as the counterfeit Gourmet Coffees sachets. This was the term of reference given to Bio Synergy Lab and I do not see anything deficient here. I am aware that the defendants suggested that the counterfeit Gourmet Coffees could have been the expired original Gourmet Coffees but I find that to be merely a bald conjecture. It is also irrational because it could not account for the differences in the constituents as found by Bio Synergy Lab.

[34] That notwithstanding, the plaintiffs through PW3 have also established that by end 2016, the supply of Gourmet Coffees in Malaysia has been halted because the plaintiffs wanted to ascertain the source of the imitation or counterfeit Gourmet Coffees. According to the second defendant, he purchased the Gourmet Coffees from Excelna Marketing Sdn Bhd ('Excelna Marketing') owned by DW3. However DW3 was not able to convincingly explain in the trial the sourced the supply of the Gourmet Coffees. He merely gave flimsy answers that he bought them from several sources including an 'Ah Boy'. No cogent documentary evidence such as purchase orders, delivery orders, invoices, payment receipts, etc were produced whatsoever in substantiation or corroboration of his testimony.

[35] From the evidence obtained as the result of the Anton Piller order as well as the production records of Nores Industries in respect of Gourmet Coffees, the plaintiffs analysed and demonstrated that the volume of the online sales of the infringing Gourmet Coffees sold by the defendants between September 2016 and March 2018 exceeded the volume of the Gourmet Coffees actually manufactured by Nores Industries. In addition, the plaintiffs showed that the defendants only made minimal purchases of the original Gourmet Coffees over the same period. I therefore find and hold that the Gourmet Coffees sold online by the defendants were not those manufactured and packaged by Nores Industries.

[36] In *Jasmine Food Corp Sdn Bhd v Leong Wai Choon & Anor* [2016] 11 MLJ 812, Azizah Nawawi J held as follows in finding that counterfeit rice products were traded:

> [78] In view of the inconsistency in the defendants' explanation as to the source of their counterfeit products, I find no merits in the defendants' SOD that requires the issues to be tried. I also agree with the plaintiff the defendants failure to adduce any evidence of their alleged purchase of their counterfeit rice products from the said hypermarkets and/or persons is highly improbable. If the purchase were made for

A the Chinese New Year celebrations, the said purchases must be recent purchase and there must be receipts to show the purchases. I also find it highly improbable that the defendants did not keep the receipts of purchase because as prudent businessman, they should make sure all transactions are accounted for.

B [79] The defendants cannot produce the evidence of purchase from these hypermarkets and/or unspecified individuals because it is not real and not true. I find that the defendants' argument is therefore frivolous and empty. In the absence of any evidence to support the defendants' contention that they have bought the counterfeit products from hypermarkets Aeon and Tesco, or unspecified individuals, this issue is not triable ...

C

[37] Premised on the above, I conclude that the defendants were at the material time via their websites offering for sale online and sold imitation or counterfeit Gourmet Coffees and I so find and hold accordingly. Though the first defendant and second defendant are separate legal personalities, I find and D hold that they effectively act in unison and are indistinguishable by their offering to sell and selling the infringing Gourmet Coffees online via their websites. They must therefore be liable jointly.

Infringement of the trademarks

E

[38] It has not been disputed by the defendants that the first plaintiff is the registered proprietor of the trademarks and it is provided in ss 35 and 38 of the Trade Marks Act 1976 ('the TMA') as follows:

F 35 Rights given by registration

(1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade G mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

(2) Where two or more persons are proprietors of registered trade marks which are identical or nearly resembling each other rights of exclusive use of either of those trade marks are not (except so far as their respective rights H have been defined by the Registrar or the Court) acquired by any one of those persons as against any other of those persons by registration of the trade mark but each of those persons have the same rights as against other persons (not being registered users) as he would if he were the sole registered proprietor.

I 38 Infringement of a trademark

(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course

of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either —

(a) as being use as a trade mark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[39] The law on trademark infringement has been held by Suriyadi Halim Omar FCJ in the Federal Court case of *Low Chi Yong (t/a Reynox Fertichem Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175; [2018] 1 CLJ 287 as follows:

[27] Generally, the burden of proof in a trademark infringement case lies with the plaintiff (in this case the appellant). He has to establish by a preponderance of evidence that he owns a valid registered trademark (there can be no infringement if the appellant owns an invalid trademark), and the defendant (in this appeal the respondents) has used the plaintiff's trademark in the course of trade without consent. That unlawful usage of the trademark owned by the plaintiff (appellant) has caused deception or confusion among the prospective customers (*Boh Plantations Sdn Bhd v Gui Nee Chuan & Ors* [1975] 2 MLJ 213; [1975] 1 LNS 4). In the latter case of *Boh Plantations* Gill CJ had occasion to state:

> In an action for infringement the plaintiff complains that the defendant has infringed his trademark by taking in its entirety, or by taking a substantial portion of it, or by colourably imitating it, and he relies on his statutory title to the exclusive use of the mark in question for goods of a specified kind.

...

[37] Under s 38 of the TMA 1976 the appellant needs to establish the following ingredients, inter alia:

(i) the respondent used a mark identical with or so nearly resembling the trademark as is likely to deceive or cause confusion;

(ii) the respondent is not the registered proprietor or the registered user of the trademark;

(iii) the respondent was using the offending trademark in the course of trade;

A (iv) the respondent was using the offending trademark in relation to goods or services within the scope of the registration; and

(v) the respondent used the offending mark in such a manner as to render the use likely to be taken either as being used as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

B

(see *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188; [1989] 1 CLJ 919; [1989] 1 CLJ Rep 537 and *Leo Pharmaceutical Products Ltd a/s (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703; [2012] 10 CLJ 507).

C

[40] By my finding in para 36 above that the defendants' act of offering for sale in the websites and having sold imitation or counterfeit Gourmet Coffees, it is plain that they were done without the consent of the first plaintiff and I so D find and hold accordingly. Moreover it is obvious which I so find that these imitation and counterfeit Gourmet Coffees deceived or confused prospective customers.

[41] From the evidence adduced particularly the real evidence in exhs P1(a), E P1(b), P2–P5 and D12–D15, I find that the infringing Gourmet Coffees sold by the defendants bore the trademarks particularly in packaging boxes and sachet packets. They have the same design in the same colours too. In addition, I find that the defendants' online sale product catalogues displayed in the F websites are unmistakenly pictures of Gourmet Coffees emblasoned with the trademarks.

[42] In *Philip Morris Brands Sarl v Goodness for Import and Export & Ors* [2018] 7 MLJ 350; [2017] 10 CLJ 337, Wong Kian Keong J has interpreted G s 38(1) of the TMA broadly and held that the phrase 'in the course of trade' is not confined to the manufacture of goods, offer to sell goods, sale of goods or marketing, promotion or advertisement in Malaysia. I have likewise adopted a broad interpretation in *Heineken Asia Pacific Pte Ltd v Supre La Via Sdn Bhd* [2019] 9 MLJ 574; [2019] 2 MLRH 165. Consequently it is my opinion that H the act of offering to sell or selling products online via a Malaysian registered domain name platform or website is an activity in the course of trade within the meaning of s 38(1) of the TMA too. This therefore applies to the defendants' websites.

I **[43]** In the circumstances, I therefore find and hold that the defendants have infringed the trademarks because they have unlawfully used the trademarks in the course of trade without the plaintiffs' consent just as in *Jasmine Food Corporation Sdn Bhd v Leong Wai Chun* and is thus liable to the first plaintiff who owned the trademarks.

Passing off

[44] The plaintiffs further or alternatively contended that the defendants passed off their Gourmet Coffees by the defendants' aforesaid act of offering for sale in the websites and having sold imitation or counterfeit Gourmet Coffees.

[45] The law on passing off has been encapsulated in the Supreme Court case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770. Gunn Chit Tuan CJ (Malaya) held as follows:

> The principle of law regarding passing off has been plainly stated by Lord Parkerin *Spalding v Gamage* 'and that is, that nobody has any right to represent his goods as the goods of somebody else'. It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business are the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in *Erven Warnink v Townend & Sons (Hull) Ltd* 2 [at p 742]:
>
> > My Lords, *AG Spalding & Bros v AW Gamage Ltd* 84 LJ Ch 449 and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation; (2) made by a trader in the course of trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied by him; (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.
>
> We would also refer to and quote the following test proposed by Lord Fraser in the same case [at p 755]:
>
> > It is essential for the plaintiff in a passing off action to show at least the following facts: (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value; (5) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.
>
> ...
>
> In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through

loss of sales and loss of the exclusive use of his name.

This has subsequently been succinctly summarised in the Court of Appeal case of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358 wherein Nik Hashim JCA (later FCJ) held as follows:

> 35 Thus in summary, the respondents had to establish three elements at trial in order to demonstrate that the appellant had passed off their medicinal wine as that manufactured and sold by the respondents:
>
> (i) reputation;
>
> (ii) misrepresentation; and
>
> (iii) damage.

See also *Leo Pharmaceutical Products Ltd a/s (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703 which adopted the classical trinity test enunciated in the House of Lords case of *Reckitt & Colman Products v Borden Inc* [1990] 1 All ER 873.

[46] As to reputation or goodwill, I am satisfied from the testimony of PW3 that the first plaintiff's 'ORGANO' or 'OG' brand name is established in the international consumer market in Canada, United States of America and the Philippines since 2008 and subsequently expanded into Malaysia since 2012. They operated based on direct sales via a structured multi level marketing business model and I so find and hold accordingly. As the result and in corroboration, there are more than 600 distributors of the 'ORGANO' or 'OG' products in Malaysia recruited through the second and third plaintiffs. The plaintiffs have also invested substantial resources particularly money to establish their Malaysian business. By 2015, the total sales recorded by them amounted to USD8,439,000. In the circumstances, the plaintiffs particularly the first and third plaintiffs have established their reputation and goodwill in respect of the Gourmet Coffees distributed based on their efforts expanded following *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* [1996] MLJU 575; [1996] 3 AMR 4015 as well as from the accumulated use of the trademarks by them following the Federal Court case of *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, Interested Party)* [2015] 6 MLJ 465. I am mindful that Lord Jauncey held as follows in *Reckitt & Colman Products v Borden Inc*:

> The fact that the proprietary right which is protected by the action is in the goodwill rather than the get up distinguishes the protection afforded by the common law to a trader from that afforded by statute to the registered holder of a trademark who enjoys a permanently monopoly therein. Goodwill was described by Lord McNaughton in *IRC v Miller & Co Margarine Ltd* ... as the benefit and advantage

of the good name, reputation and connection of a business. It is an attractive force which brings in custom. Get up is the badge of the plaintiff's goodwill, that which associates the goods with the plaintiff in the mind of the public.

[47] In the premises, I find and hold that the first and third plaintiffs have successfully proved the reputation element.

[48] Moving on to misrepresentation, Low Hop Bing J (later JCA) held as follows in *Leo Pharmaceutical Products Ltd a/s (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703; [2009] 13 MLRH 385:

It is an established principle of law that where the alleged passing off is based on the similarity of trademarks, the principles of comparison of the marks are the same as those arising under infringement of trademark.

In this connection, I reiterate my findings in paras 40 and 41 above and conclude that the defendants indeed misrepresented the Gourmet Coffees as genuine products of the plaintiffs.

[49] As such, the plaintiffs have further successfully proved the misrepresentation element.

[50] Finally in respect of damage, Gunn Chit Tuan CJ (Malaya) held as follows in the Supreme Court case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd*:

In an action of passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However if the goods in question ... are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and the loss of exclusive use of his name.

Moreover in the Court of Appeal case of *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585 Abdul Malik Ishak JCA held as follows:

[240] The law is settled. Actual damage need not be proven. It is sufficient to show a probability of damage. In this regard, the case of *HP Bulmer Ltd and Showerings Ltd v J Bollinger SA and Champagne Lanson Pere Et Fils* [1978] RPC 79 immediately comes to the forefront. There, Buckley LJ had this to say at p 95 of the report:

It is well settled that a plaintiff in a passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be

damage to him in his trade or business, that is to say, damage to his goodwill in respect of that trade or business. 'Goodwill' is a word of wide import.

[51] It is plain and obvious that the defendants purely for profit blatantly took advantage of the goodwill established by the first and third plaintiffs through their act of online offering to sell in the websites and accordingly having sold imitation or counterfeit Gourmet Coffees. There is undoubtedly high probability of damage if not also actual damage caused to the plaintiffs as seen from the defendants' financial records obtained through the enforcement of the Anton Piller order.

[52] Consequently the first and third plaintiffs have also successfully proved the damage element and in the circumstances, the tort of passing off against the defendants is complete and hence proven.

Consent or permission given to the defendants

[53] The defendants contended that the plaintiffs' senior management, employees and agent have been complicit in allowing the defendants to use the trademarks besides also assisting their agents to get rid of their coffee stock. Reliance is made on s 40(1) of the TMA in particular s 40(1)(dd) which reads:

40 Acts not constituting infringement

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark —

(a) the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;

(b) the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference as is mentioned in paragraph 38(1)(b) or paragraph 56(3)(b);

(c) the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before —

(i) the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of the trade mark; or

(ii) the registration of the trade mark,

whichever is the earlier;

(d) in relation to goods connected in the course of trade with the registered proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user in conforming to the permitted use has applied the trade mark and has not subsequently removed

or obliterated it or has at any time expressly or impliedly consented to the use of the trade mark; A

(dd) the use by a person of a trade mark in relation to goods or services to which the registered proprietor or registered user has at any time expressly or impliedly consented to; B

(e) the use of the trade mark by a person in relation to goods or services adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted and neither the purpose nor the effect of the use of trade mark is to indicate otherwise than in accordance with the facts a connection in the course of trade between any person and the goods or services; and C

(f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act. D

(2) Where a trade mark is registered subject to conditions, amendments, modifications or limitations, the trade mark is not infringed by the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in in a place or in relation to goods to be exported to a market or in relation to services to be provided in a place or in any other circumstances to which having regard to those conditions, amendments, modifications or limitations the registration does not extend. E

[54] According to the defendants, the second defendant was an independent distributor of the third plaintiff. In addition, the first defendant had used the trademarks with implied consent or permission of the plaintiffs from 2014–2018. In this respect, the first defendant was on 24 November 2014 registered as an authorised independent distributor with the third plaintiff via an online application on the plaintiff's website at www.organogold.com. As the result, the second defendant purchased the Gourmet Coffees from the third plaintiff and sold them via the first defendant from 24 November 2014–November 2015. Subsequently as testified by DW1, the second defendant begun obtaining the Gourmet Coffees from Stanley Liew Joo Kong ('Stanley Liew') who was the second defendant's up-line in the multi level marketing business of the third plaintiff from the beginning to end of 2016. By reason that the first defendant had a huge clientele base from its existing internet online business and could not cope with the customers' demand for the Gourmet Coffees, Stanley Liew assisted the second defendant in getting more stock to cope with the demand with the permission of DW4 who was then the operations manager of the third plaintiff. In addition, Stanley Liew also taught the defendants to set up fictitious dummy accounts within the third plaintiff's multi level marketing structure in order to assist the defendants to obtain large quantities of the Gourmet Coffees in 2015. That aside, the F G H I

defendants also purchased the Gourmet Coffees from the other independent distributors of the third plaintiff. As admitted, the third plaintiff was aware that several distributors had approached the second defendant to buy their surplus stock of Gourmet Coffees.

[55] As from September 2016–April 2018, the defendants contended that they continued to obtain the Gourmet Coffees from the aforementioned sources. However by reason of the shortage of supply, the defendants in mid 2016 also purchased the Gourmet Coffees from Excelna Marketing owned by DW3. In this respect, DW3 testified he had been in communication with PW1 between May 2017–May 2018 and PW1 on behalf of the third plaintiff gave implied consent or permission to Excelna Marketing to sell the Gourmet Coffees. PW1 was even willing to introduce Excelna Marketing to independent distributors who are willing to sell expired stocks of Gourmet Coffees below the market price.

[56] The plaintiffs however denied that they gave consent or permission whether express or implied to the defendants to sell the Gourmet Coffees as that sold by them via their websites online at all material times. By 2016 when the plaintiffs discovered the sale of the counterfeit Gourmet Coffees, the second defendant's independent distributorship was also already terminated. According to the plaintiffs and as testified by PW1, she met DW3 between May 2017–May 2018 on an undercover mission solely to investigate and trace the sources of the supply and sale of the counterfeit Gourmet Coffees then on sale online by the defendants.

[57] The question of whether consent or permission was given is a question of fact and the burden of proof lies with the defendants since they are relying on it as their defence afforded by s 40(1)(dd) of the TMA.

[58] In this regard, there is no evidence adduced before me at the trial that the plaintiffs had at all material times expressly or impliedly consented or permitted the defendants to sell the Gourmet Coffees online via the websites worldwide. There was in fact no communication between the plaintiffs and the defendants whatsoever on this aspect. By end 2015, the second defendant's independent distributorship was also already terminated by the third plaintiff. I wish to emphasise that the Gourmet Coffees sold by the defendants were imitation or counterfeit ones as found and there could not also rationally be any express or implied consent of the plaintiffs having done so. The sole shred of evidence tendered in attempted support of the defendants' defence is the communications between the third plaintiff and Excelna Marketing where consent or permission was allegedly given to Excelna Marketing. However I find and hold that Excelna Marketing and the defendants are different legal entities and the defendants could not therefore inherit or be clothed with the

purported consent or permission in any way. Be that as it may, there is conflict in the testimony of PW1 and DW3. By their demeanour and quality of answers at the trial, I find PW1 to be the credible witness compared to DW3 whom I find to be shady especially in his inability or rather refusal to reveal precisely his sources of supply of the Gourmet Coffees. I therefore accept PW1's testimony that she was under the direction of the plaintiffs to conduct an undercover mission to investigate and trace the source of the counterfeit Gourmet Coffees when she communicated with DW3 including their meeting on 5 February 2018. I also find that PW1 did not act in complicit in violation of the plaintiffs corporate policy as so suggested by the defendants. It is plain that PW1 had no authority to give the purported consent or permission which goes against the third plaintiff's business model of direct sales via structured multi level marketing. In the premises, the cases of *Playboy Enterprises International, Inc v Zillion Choice Sdn Bhd & Anor* [2011] 2 MLJ 59; [2011] 2 CLJ 329 and *Vitol Asia Pte Ltd v The Owners of the Ship or Vessel 'Malik Al Ashtar' of the Port of Malta (ING Bank NV & Anor, interveners)* [2017] 7 MLJ 87; [2017] 1 CLJ 236 on apparent and ostensible authority relied by the defendants are irrelevant and misconceived.

DAMAGES

[59] The plaintiffs have elected to opt for account of profit made by the defendants in respect of the Gourmet Coffees between 24 September 2016–12 March 2018 and estimated the same to be around RM3,000,000 in respect of its loss for trademark infringement and passing off. In addition, the plaintiffs are also claiming damages for loss of reputation or goodwill as the result of passing off by the defendants.

[60] In the Federal Court case of *Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors* [2018] Supp MLJ 312, Richard Malanjum CJ (Sabah and Sarawak) (later CJ) held as follows:

> ASSESSMENT OF DAMAGES — RELEVANT APPLICABLE PRINCIPLES OF LAW
>
> [15] The current potential civil remedy against an infringer of an intellectual property right is either an assessment of the profit made by the infringer or an award of damages representing the lost profit suffered by the originator. And in an action for infringement of a trademark and passing off it is trite law that the same principle applies when considering the award of damages (see: *Dormeuil Frères SA and another v Feraglow Limited and another* [1990] RPC 449). The usual principal head of damage is the loss of business profits caused by the diversion of the plaintiff's customers to the defendant as a result of the defendant's misrepresentation (see: *Guangdong Foodstuffs Import & Export (Group) Corporation v Tung Fook Chinese Wine (1982) Co Ltd and another*& HCA011061A/1995, *Prince Manufacturing Inc and another v ABAC Corporation Australia Pty Ltd and another* (1984) 57 ALR 159; [1984] FCA 356).

A [16] In *McGregor on Damages* (16th Ed), at paras 1947–1948 at pp 1261–1262, it is said thus:

> Little attention has been given to the assessment of damages despite the many cases of passing off in the reports. *Spalding v Gamage* and *Draper v Trist* are the only cases of importance. The principal head of damage is the loss of business profits caused by the diversion of the plaintiff's customers to the defendant as a result of the defendant's misrepresentation; beyond this, damages may be awarded for any loss of business goodwill and reputation resulting from the passing off. Damages under both these heads were held to be properly awarded in *Spalding v Gamage* (1918) 35 RPC 101, CA a result which has never since been doubted. *Draper v Trist and Others* [1939] 3 All ER 513, CA dealt with a more complex situation where the defendant had passed off goods by selling them to middlemen, and there was no evidence that the middlemen resold. In these circumstances it was held that the plaintiff's loss of profits could not be a relevant consideration in assessing the loss but that the plaintiff was entitled to damages by reason of the presence of the deceptive goods on the market, damages which included a sum for loss of reputation. Also, the plaintiff should be able to recover for further loss of profits through reduction of his prices, provided that the reduction is necessary to compete with the goods passed off by the defendant.

E [17] The onus is upon the plaintiff to prove the loss actually sustained by reason of the defendant's conduct. The plaintiff is entitled to 'such damages as naturally flow from their unlawful act, and that there is no artificial limitation in the case of a passing off action' (see: *Spalding (A G) & Bros v A W Gamage Ltd and Benetfink & Co Ltd* [1915] 32 RPC 273 per Lord Parker of Waddington). It cannot also be F presumed that the amount of goods sold by the defendant under an infringing trademark would have been sold by the plaintiff if not for the defendant's unlawful use of the trademark (see: *Leather Cloth Company v Hirschfield* (1865) LR 1 Eq 299*). Speculative and unproven damage are also excluded (see: The United Horse-Shoe and Nail Co Ltd v John Stewart and Co* (1888) 5 RPC 260; *Pneumatic Tyre Co Ltd v Puncture Proof Pneumatic Tyre Co Ltd* (1899) 16 RPC 209.

G [18] Consistent with the established principle of law in award of damages, it is compensatory, that is, to put the plaintiff in the same position he would have been had the wrong not been committed (see: *Livingstone v Rawyards Coal Co* (1880) 5 App Cas 25). Put in another way it is '... to approach the assessment of damages in this case, in my view, is to compare the position in which the applicants might have H been expected to be if the misleading conduct had not occurred with the situation they were in as a result of acting in reliance on that conduct (see *Esso Petroleum Co Ltd v Mardon* [1976] 2 All ER 5; [1976] QB 801. This is the same (as), or analogous to, the general principle respecting the measure of damages in tort' (see: *Brown and another v Jam Factory Pty Ltd and another* (1981) 35 ALR 79.

I [19] Damages for the infringement of intellectual property rights are tortious in nature. Their objective is to restore the claimant to the position he would have been in had the defendant not infringed. Thus, where the claimant is in the business of manufacturing goods, so that they are in competition with the defendant, then the measure of damages will be lost profits. However, it should be noted that damages

is to be assessed liberally (see: *General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd* [1976] RPC 197). And while it is quite easy to state the general principle the mechanics of ascertaining damages actually sustained by the plaintiff are not simple to determine. There is no hard and fast rule to follow which is foolproof and universally accepted (see: *Spalding (A G) & Bros v A W Gamage Ltd and Benetfink & Co Ltd*; *JuggiLal-Kamlapat and Juggilal-Kamlapat Mills of Cawnpore v Swadeshi Co Ltd* (1928) 46 RPC 74; *Prince Manufacturing Inc and another v ABAC Corporation Australia Pty Ltd and another*). It depends on the facts of each case. It is basically facts driven. However, in assessing damages it is also necessary to exclude those customers of the defendant who were not misled in making their purchases. Otherwise the claimant would be overcompensated. Damages may also be awarded for loss of business reputation and goodwill resulting from the infringement and passing off.

[20] Nearer home the Court of Appeal in *Wembley Gypsum Products Sdn Bhd v MST Industrial Systems Sdn Bhd* [2007] 7 MLJ 193 said this at pp 205–206:

> In our judgment, it is useful to set out the general object of awarding damages, contained in *Clerk & Lindsell on Torts* (16th Ed) at p 254 para 5–04:
>
> > The general object of an award of damages is to compensate the plaintiff for the losses, pecuniary and non-pecuniary, sustained as a result of the defendant's tort. More specifically, the assessment process is said to aim at restitutio in integrum. The general principle is, in the off-quoted words of Lord Blackburn, that the court should award 'that sum of money which will put the party who has been injured, or who has suffered, in the same position as he would have been in if he had not sustained the wrong for which he is now getting his compensation or reparation.' The principle admits of application to losses which are capable of reasonable precise calculation in money terms.

(see also *UDA Holdings Sdn Bhd v Koperasi Pasaraya Malaysia Bhd* [2007] 6 MLJ 530 (CA)) ...

[61] The plaintiffs have based on the discovery of the documentary evidence obtained pursuant to the Anton Piller order computed and summarised the defendants' sales of the Gourmet Coffees as follows:

Websites	Quantity of Black	Quantity of Latte	Sales (RM)
Royale Concept	27297	44118	4,785,019.46
Maxi*vogue.com	15442	16825	1,952,691.87
Azonio	113	8841	559,686.97
Branded outlet Shoppe	3416	–	234,623.18

[62] The total quantity of Black and Latte Gourmet Coffees sold is hence 46,268 and 69,784 boxes respectively amounting to RM7,532,021.48. The particulars are found in bundle A1 pp 132–138 with the supporting documents contained in Bundles A2–A9.

[63] The defendants did not seriously challenge the abovementioned sales data but contended that their profit margin was at best 10.65% due to high costs of courier, domain listing and commission charges, Paypal charges, aborted costs of unclaimed and returned purchases, GST, etc. On the other side, the plaintiffs contended that the reasonable profit margin should have averaged between 20% and 25% particularly because the defendants were dealing in counterfeit Gourmet Coffees.

[64] In the Privy Council case of *Juggi Lal-Kamlapat and Juggilal-Kamlapat Mills of Cawnpore v Swadeshi Co Ltd* (1928) 46 RPC 74, Viscount Dunedin held as follows:

> Their Lordship cannot say that there is any cut and dried rule which can be laid down by a court of law for the estimation of damages.

[65] The plaintiffs have in my view utilised their best endeavours to establish the sales and consequently the estimated fair and temperate average profit margin of the defendants in respect of the Gourmet Coffees. The evidential burden to show otherwise shifted to the defendants to satisfy me as to the actual profit margin by computing the same from a reasonable sample size substantiated with cogent costs documentation since these are all within the knowledge of the defendants including custody of the relevant documentary evidence. The defendants however failed to do so adequately by their mere adduction of exhs D20 to D21 which are rudimentary and simplistic estimates.

[66] I am aware that the plaintiffs had in its computations adopted the exchange rate of USD1 = RM4.45 and PW1 conceded that it would be more appropriate to have adopted USD1 = RM 3.98. Accordingly, I find that that the defendants' sales ought to be 3.98/4.45 x RM7,532,021.48 = RM6,736,504.60. I conservatively find and hold that the average profit margin is 20%. As the result, the account for profit amounted to RM6,736,504.60 – (RM6,736,504.60/1.20) = RM1,122,750.76.

[67] By reason that I have also found that the defendants had committed passing off, there is the additional entitlement to damages for loss of reputation or goodwill. Again in *Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors*, Richard Malanjum CJ (Sabah and Sarawak) (later CJ) held as follows:

> [37] Now, on the loss of goodwill and reputation it is trite law that it is presumed and that the sum to be awarded is a matter of discretion.

[68] As I have recently held in *Alternate Solution Resources v Akbar Batcha bin Mohamed Shamsuddin & Anor* [2019] MLJU 426; [2019] AMEJ 0179, I find and hold that the fair and temperate amount of damages for loss of reputation

or goodwill is RM58,750 following the amount of RM50,000 awarded in *Taiping Poly (M) Sdn Bhd v Wong Fook Toh (t/a Kwong Wah Trading Co) & Ors* adjusted for inflation at 2.5%pa in the absence of cogent expert evidence by an intellectual property valuer registered with MyIPO demonstrating a substantial valuation.

[69] In the circumstances, I therefore assess the compensatory loss at RM1,122,750.76 + RM58,750 totalling to RM1,181,500.76.

[70] For completeness, I also hold that the entitlement to the compensatory loss resides in the first and third plaintiffs only for passing off. The loss of the first plaintiff in respect of infringement of the trademarks is subsumed therein. The second plaintiff is in my view just a nominal plaintiff.

CONCLUSION

[71] For the foregoing reasons, I therefore enter judgment for the first and third plaintiffs against the defendants in the following terms:

(a) the defendants are restrained whether acting by their directors, officers or agents (or any of them or howsoever) from infringing the first plaintiff's Registered Trademarks Nos 2012009827 and 2012009820;

(b) the defendants are restrained whether by their directors, officers or agents (or any of them or otherwise howsoever) from offering for sale, accepting orders and selling or shipping premixed coffee products under the brand name 'Organo Gold' or attempting to pass off premixed coffee products not of the plaintiffs' manufacture and bearing the first plaintiff's trademarks 'ORGANO GOLD', 'OG' and the 'GOURMET BLACK COFFEE' and 'GOURMET CAFE LATTE' as and for the first plaintiff's premixed coffee products by offering for sale, supplying or otherwise dealing with as genuine 'Organo Gold' premixed coffee products not manufactured by the plaintiffs;

(c) the defendants are ordered to make and serve on the plaintiffs' solicitors within 14 days from the date of the service of this order on them, a sufficient affidavit setting forth the names and addresses of all persons or companies responsible for supplying them with and the defendants shall exhibit to their affidavit copies of all documents in their possession, power, custody or control relating to the supply to or by the defendants, of all premixed coffee products bearing the names 'Organo Gold' and the first plaintiff's registered trademarks under the names 'OG' and 'ORGANO GOLD';

(d) the defendants forthwith be ordered to deliver to the plaintiff's custody all such coffee premixed products in their custody which are not

manufactured under the license and consent of the plaintiffs and which bear upon them the brand name 'Organo Gold', 'Gourmet Black Coffee', and 'Gourmet Cafe Latte' and the first plaintiff's trademarks which are registered under 'Organo Gold' or may be situate therein together with all raw materials and packing and labels and machinery used and all computers used for generating invoices and bills and other documents relating to the purchase and distribution of the same;

(e) the defendants whether acting on their own, through their servant or agent or any of them, or otherwise by any way whatsoever in 21 days from the service of this order disclose to the plaintiffs by way of a sworn affidavit the full value of their personal assets held jointly that shows the full particulars of the type and details of all assets and the location of the said assets whether within the jurisdiction or otherwise and whether held by them in their personal names or by nominees or otherwise on their behalf and whether owned solely or jointly;

(f) the defendants whether acting by their directors or by their officers, servants, agents or by any of them or otherwise howsoever are restrained from parting without license of the plaintiffs with possession, power, custody or control of all coffee premixed products bearing the first plaintiff's registered trademarks 'OG Organo' and 'Organo Gold' or any colourable imitation of the first plaintiff's trademarks;

(g) the defendants whether acting by their directors or officers or agents are ordered to permit such persons as may be authorised by the plaintiffs, not exceeding two, and/or an officer from the court to enter forthwith the premises known as No 9, Block B, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, off Persiaran Subang 47610 Petaling Jaya, Selangor Darul Ehsan and any other premises in the possession of the defendants or any outhouse or any other building which forms a part of the premises at such times designated by the court and for the purpose of inspecting and photographing such goods as are not connected with the plaintiffs and which bear upon them the trademarks 'OG', 'Organo Gold' or may situate therein and all raw materials packing and labels for the same and all invoices and bills relating to the purchase sale distribution or advertising of the same;

(h) compensation amounting to RM1,181,500.76;

(i) interest at the rate of 5%pa on the compensation sum of RM1,181,500.76 from the date of filing this writ to the date of full realisation;

(j) costs of RM75,000 subject to 4% allocator; and

(k) the sum of RM50,000 deposited by the plaintiffs with the defendants' solicitors shall be forthwith refunded to the plaintiffs.

Order accordingly.

Reported by Mohd Kamarul Anwar